

AGN. NO. _____

MOTION BY SUPERVISOR SHEILA KUEHL

April 5, 2022

Allocating CDBG Revolving Grant Funds to the City of San Fernando

The City of San Fernando (City) has requested a transfer of \$200,000 from the Community Development Block Grant (CDBG) Revolving Grant Fund (RGF) to provide additional funding for its new Small Business Grant Program project (Project). This COVID 19-related project provides one-time only business grants in an amount not to exceed \$10,000 per eligible business impacted by the pandemic. The grants may be used for expenses such as payroll, rent, or utilities for eligible business owners and the businesses must provide goods and services to the local community.

The City received 257 local business applications to their Small Business Grant Program during five-day open period that ran from February 28 through March 4, 2022. They initially committed funding for 23 grants but due to this tremendous response, they are requesting this funding increase to increase the number of business assisted to 43.

The City will receive funds from the RGF, which is funded with unprogrammed CDBG funds from cities that have yet to develop projects. The agreement will increase the amount of CDBG funds allocated to the City for FY 2021-2022 from \$225,607 to \$425,607. The City will repay the Revolving Grant Funding utilizing future CDBG

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allocations until the amount is fully repaid.

This action is exempt from the provisions of the National Environmental Policy Act pursuant to 24 Code of Federal Regulations, Part 58, Section 58.34(a)(3) because it involves administrative activities that will not have a physical impact on or result in any physical changes to the environment. These activities are not subject to the provisions of CEQA pursuant to State CEQA Guidelines 15060(c)(3) and 15378, because they are not defined as a project under CEQA and do not have the potential for causing a significant effect on the environment.

**I, THEREFORE, MOVE THAT THE BOARD OF COMMISSIONERS OF THE
LOS ANGELES COUNTY DEVELOPMENT AUTHORITY:**

1. Approve Amendment No. 1 to CDBG Reimbursable Contract No. 70745 between the County of Los Angeles (County) and the City, to add \$200,000 in CDBG funds from the Revolving Grant Fund, thereby increasing the amount of CDBG funds allocated to the City from \$225,607 to \$425,607;
2. Authorize the Executive Director, or his designee, to execute Amendment No. 1 on behalf of the County, to be effective through June 30, 2022, following approval as to form by County Counsel and execution by all parties; and
3. Find that approval of Amendment No. 1 is not subject to the provisions of the California Environmental Quality Act (CEQA), as described herein, because the activity is not defined as a project under CEQA.